

THE ECONOMIC POLICY OF THE SOVIET GOVERNMENT

From "Soviet Russia".

The economic policy of the Soviet Government was established in the midst of incessant fighting, when the entire country was a vast military camp, and the problems of the war were paramount. To put this policy into practice demanded an intense application of forces to overcome internal as well as external resistance. The carrying out of this policy was hindered as much by the attacks of the counter-revolutionists as by the open and secret sabotage of the superior technical personnel; inertia and prejudice were the enemies to be fought in a difficult struggle.

The Soviet organs which direct the economic life are based upon trade union organizations. From top to bottom the system of direction is constructed upon trade union organizations. From top to bottom the system of direction is constructed upon this basis.

At the head of the entire administration is the Supreme Council of National Economy; in the provinces the local Councils of National Economy.

All the activities of the Supreme Council of National Economy are supervised by a Bureau composed of eleven persons. Corresponding to the various branches of industry: metallurgical, chemical, textile, electro-technical, etc., the Supreme Council of National Economy is divided into fifty sections of production, at the head of which are the Committees, each composed of from three to seven persons.

The appointment of the president of the Supreme Council of National Economy are approved by the statute, are ratified by the Central Executive Committee of the Soviets of all Russia; that of the members of the Bureau by the Council of People's Commissaries. But the candidatures are usually submitted before ratification to the general Council of Russian labor unions.

All the sectional committees of the Supreme Council of National Economy are approved by the Bureau, but never until after a preliminary understanding with the corresponding syndicate. The workers as well as the specialists (engineers, technicians), have members in all the committees and in the Bureau.

The local Councils of National Economy are the executive organs of the Supreme Council of National Economy, and are organized on the same basis as the latter, though being more restricted.

The management of the factories and administration for the various state enterprises and trusts is composed in each case of from five to seven members (workers and specialists), but they are sanctioned by the corresponding section of the Supreme Council of National Economy or of the local Council of National Economy only after a preliminary understanding with the corresponding syndicate.

A great number of specialists are on the Committees and in the management of factories: as many as sixty per cent are specialists and forty per cent are workers.

Thus the Soviet power replaced the system of capitalist direction by the Soviet system, which planted deep roots in the farthest corners of our economic life. Despite the difficult external and internal conditions this system is accomplishing its task perfectly.

To sum up these two years of struggle, the

means of production passed almost entirely from the hands of the capitalists and proprietors into those of society personified in the Soviet organs.

Nationalization of the factories, shops, mines, etc., was brought about first in the principal branches of industry and in the most important enterprises.

False information has often been circulated in Western Europe with regard to this nationalization, which, it was said, followed no fixed plan. This is a falsehood without foundation.

Nationalization, especially beginning with the second half of the year 1918, was brought about in accordance with a fixed plan embracing the industrial branches and enterprises most important and indispensable for the organization of the national economy.

As to the "small trades" and the cooperatives, not only were they not nationalized, but they were protected by special decrees and dispositions.

The following tables give an idea of the proportionate figures for nationalization in the course of the last two years:

Nationalization During the Years 1918-1919.

1. Enterprises 4,000
2. Merchant marine construction 16,000
3. Private property 600,000,000 hectares
4. All the banks of all cities.

These figures are a little short in the case of the enterprises, 4,000 enterprises are under the Supreme Council of National Economy, but in the provinces many nationalized enterprises, being under the direction of local organs, do not figure in the statistics drawn up by the central organs.

It may be said with certainty that ninety per cent of industry is nationalized.

The Soviet power inherited from Capitalism enterprises isolated and deprived of connecting bonds. Its task, as indicated above, was to construct an organization of national economy based upon socialist principles.

It was indispensable that there be organized and created in the domain of industry and that of rural economy associations of isolated enterprises, that they be provided with fuel and basic materials, and their financial system constructed upon new principles.

In resume of all the innovations introduced in the domain of national economy in the course of these two years (1918-1919) we have the following table:

There were organized:

I. In Industry.

1. State trusts 90
2. Factory administrations 4,000
3. State systems for the provision of wood, wool, hemp, etc.

II. In Rural Economy.

1. Soviet exploitations 2,399
2. Rural communes and associations 5,961

In this manner industry and rural economy during these two years were not only placed under the direction of the organs of the proletarian dictatorship, but also reorganized internally with reference to production. A concentration of production was brought about. Trusts like that of the electro-technical industry, uniting without exception all the enterprises which fought one another in pitiless rivalry before the October Revolution, or like the

State trust for machine construction, comprising sixteen of the most important enterprises, represent a result unprecedented in the economic world.

The situation is similar in the nationalized enterprises of the textile industry, to the number of more than 500, divided into forty different associations each embracing several enterprises and all directed by a "principal management."

From the point of view of finance, provisions, registration, the reception of products, etc., the organization of industry in state trusts was of enormous advantage. The regulation of accounts between the nationalized enterprises and their associations takes place only in the books and without the payment of cash.

Owing to this system the distribution of fuel and basic materials becomes more equal and rational. If one considers the extremely difficult situation in which Soviet Russia was placed, during these last two years, in the matter of fuel, having at her disposal only ten per cent of indispensable coal and only ninety-three million poods of naphta in lieu of the 400 millions necessary each year, one can see that only the centralization of distribution and a certain economy have aided us to evade a terrible fuel crisis. As for the distribution of raw materials, that was organized in a satisfactory manner.

In the sphere of rural economy the organization of Soviet exploitations direct by Soviet organs made it possible not only to protect agriculture, the great land properties, but also permitted the industrial proletariat to take part for the first time in agricultural labor, and created also for the first time solid ties between industry and agricultural exploitation, between the city and the country.

At present nearly three million hectares are already in the hands of Soviet exploitations and agricultural communes.

Returning to the economic situation and the results of the economic activities, we should indicate first that this situation, as a result of our activity, depended upon changes brought about by the civil war.

The Don Basin, the Urals, the Caucasus, the principal sources of fuel and raw material — of coal, naphta, iron, cast-iron, steel—passed from hand to hand. For a certain length of time they fell again to the Soviet power, but new assaults by the White Guards deprived us of them, ruining organized production and taking from us accumulated reserves.

As a result the center of Soviet Russia became our principal base.

The loss of the Don Basin meant for us the loss of eighty per cent of all our coal; the occupation of Baku by the English deprived us of naphta: the occupation of the South and the Urals—of metals.

It is easy thus to realize the difficult conditions under which our economic life developed.

But in addition to territorial conditions, our economic situation was influenced by the fact that we had again to mobilize our industry and employ it for the needs of war.

Such are the conditions under which our economic activity was developed and our progress brought to realization.

The following figures characterize the principal branches of our economic activity where it was pursued without interruption during these two years:

PREPARATION OF FUEL AND RAW MATERIAL (Quantity in Poods)

Products	1918	1919
A. Fuel		
1. Coal (regions of Moscow and Borovichi)	almost 30 million	almost 30 million
2. Wood (in stock and reserve)	4 mill. cu. sazshins	5 mill. cu. sazshins
3. Peat	58 million	60 million
4. Naphta	93 million	Baku occupied by English
B. Raw Materials (in the stores of the S. C. of N. E.)		
1. Flax	5 1/2 million	
2. Cotton	2,784 million (?)	6 1/2 million (with Turkestan reserves)
3. Wools	2 million	
4. Hemp	2 million	
5. Hides	5,461,000 pieces	2,365,800 pieces (for six months)
6. Metals (reserves)	30 million	40 million

The above figures are only for fuel and raw material accumulated and utilized by the Supreme Council of National Economy.

We can see that the situation has become worse in the matter of fuel because of the loss of the naphta. In 1918 we could transport the naphta from Baku, but in 1919 we did not receive any at all.

Owing to this circumstance we were obliged to use wood fuel for the railroads and other enterprises, and this was the cause of the famine in fuel for dwellings. Before the war no more wood was prepared than now: from four to five million cubic sazshins, but then there was coal, and naphta which served industry, and the wood was used principally to heat dwellings; now wood is the principal fuel. As regards peat, the situation has improved, and in 1919 it was prepared in greater quantities (1918 — fifty-eight million poods; in 1919—sixty million poods). The preparation of raw material for our textile industry was sufficient, and the industry is fully provided for. Flax and furs have accumulated in such great quantities that it would be easy to export them abroad.

With regard to metals the situation has become difficult, we have utilized our old reserves all this time. With the retaking of the Urals and the defeat of Kolchak, the situation has improved and we are receiving metals from the Urals.

In short, the system of provisioning under Soviet rule functions perfectly and is solidly constructed.

The latest statistics indicate that more than a million workers (excluding those employed on railroads, commerce, etc.), are at the present moment working in the industries of Soviet Russia. (The figures are incomplete.) In certain branches of industry (in the miners of the region of Moscow, in the electro-technical industry) all the enterprises are operating without exception; in others, — in the textile industry for example—almost fifty per cent of the enterprises are at a standstill, but it is impossible to name a single branch of industry which has ceased completely. The facts do not show it. In short, the total number of salaried workers (workers and employees) reaches the minimum number of three million men. In certain spheres progress even may be claimed. During these two years our economic organs undertook the organization of fifteen important enterprises several of which are already completed and operating. At Podolsk (province of Moscow) a great factory for the repair of locomotives has been constructed and is already operating; as is a cartridge factory at Simbirsk. Two great electrical stations, one at Kachira, the other in the marsh of Chatour, are being completed. The construction of a factory of agricultural machinery and implements has commenced at Saratov.

But the most important enterprise is the exploitation of schist deposits in the provinces of Samara

and Kazan, an enterprise begun in 1919. Several mines are already being exploited.

Let us cite here the figures relative to the principal branches of industry serving military as well as civil needs.

Production and Reserves in 1919

Fabrics

Average monthly production—14 million arzhins. Reserves—nearly a milliard arzhins.

Sugar

Production during the campaign 1918-1919:

In Soviet Russia—4 million poods.

In Soviet Ukraine—10 million poods.

Matches

Production in 1918—1,032,23 boxes.

During six months in 1919—412,809,000 boxes.

Soap

Monthly production—20 to 25 thousand poods.

Salt

More than 10 million poods have been extracted.

These products are distributed in accordance with a definite plan. First the Red Army is provided, then the workers, and finally, the rest of the population.

Let us consider now the question of food.

During these two years the most difficult problem was that of food. The regions most rich in wheat, such as the territory of the Don, South Russia, the territories beyond the Volga, and Siberia, were either in the hands of the enemy or were passing from hand to hand.

When after the October Revolution, we took over the power there were almost no reserves of bread. The harvest of 1918 had a yield above the average (in twenty-five provinces of Soviet Russia it reached 1,235 million poods). The system of rationing which was organized about this time could store 100 million poods. This permitted us in the second half of 1918 and in 1919 to improve the bread ration for the population compared to the first half of 1918. The harvest of 1919 was also above the average, and besides, the whole region beyond the Volga and a part of Siberia passed into our hands. This year we hope the grain reserves will surpass those of last year. Difficulties are encountered principally in transportation for the war. But thanks to the consolidation of the distributing system an improvement may be expected, not very great it is true, but an improvement nevertheless.

We have cited figures relating only to the principal branches of industry, taking for a basis the average monthly production. We have described only the general economic situation in Soviet Russia, and we have summarized the results of our activity in the economic sphere during the last two years. But it is needless to say that we could not here include all that has been accomplished by the working masses in the titanic creative work of the new life which is in the making under our eyes.

RUMINATIONS OF A REBEL

By Tom Clifford.

The Supreme Lodge of The Bel-ligerent Bellyachers of America met in Chicago and put their complaints into concrete form. They not only did that, by heck, but they nominated a candidate for President to see that their complaints are listened to by the capitalists who control the government and will still control it even though their candidate were elected. The Farmer — Labor Party will shoot its wad in November and then quietly die of sleeping sickness. None of these malcontents express dissatisfaction with the capitalist system of production, in the absence of which it may be assumed that they are merely out of harmony with the political administration of the capitalist state. The quasi — radical voter will find it somewhat perplexing to choose between the platform of the Farmer-Labor Party and the Socialist Party. The Communist however, is immune to this reformist rubbish. His attention is unalterably fixed on the one economic demand — the earth and the fullness thereof for the working class. Still, the coming election will be a magnificent political scrap, out of which will be born thousands of class conscious rebels. Watch us grow.

Credit is due the Single Taxers for the judgement displayed in refusing to co-operate with the other insurgent elements. They realized that their reform would receive but little consideration if associated with the others, and accordingly they decided to go it alone. Thus was another political

party born. The Single Taxers have for many years threatened to take this step, and it remains to be seen whether this new departure will be productive of better propaganda for their hobby than playing ball with the Democratic Party. Whatever the Communists may think of the Single Tax Theory, it must be admitted that its adherents at least condemn the first of the capitalist trinity — rent, interest and profit. Henry George held that rent derived from land was income that the owner did not earn. He contended that rent was wholly a social product, and therefore should go to its creator — the community. George was not a Communist, because he did not apply this theory of rent to interest and profit. These he would leave as private possessions. The Communist insists (and both logic and common sense harmonize with the deduction) that not only rent, but likewise interest and profits on goods made for the market, are social products. In common with rent they represent unearned increment. They, too, are social rather than individual products, and should therefore pass to their owner — society. The Single Taxer is afflicted with mental strabismus. He needs a new pair of goggles.

Now that the Soviet armies have driven the invading Poles from Russia and threaten to carry the war into the front yard of the Allies' protege, the bourgeois governments of Europe are clamoring for an armistice. So long as the Poles were successful not a "peep"

Country Daily Would Murder Communist Editor

The following, referring to Linn A. E. Gale, publisher of "Gale's", a Communist monthly originally published in New York for a year, and published in Mexico City for the last two years, is taken from the June 19 issue of the Sun, a country daily published at Norwich, New York. It is interesting to note that Gale had his first experience as a cub reporter on the paper in question, graduating to large cities and settling first in Albany and later in New York City. The Norwich Sun published many complimentary things about him until he left the Democratic Party and became a Communist — then its policy changed. Before he was a Radical, Gale was, in the estimation of the Sun, a "brilliant writer", a "capable editor", etc., and his word was "as good as his bond." After he became a revolutionist, all this changed. It is evident that Gale's pen is sufficiently vigorous to hurt the tools of capitalism, else such a nasty yelp would not have been heard.

Here follows the editorial in part:

"That such a vile, contemptible specimen of humanity as Linn A. E. Gale, publisher in Mexico City of 'Gale's Magazine', is permitted to live, move and have his being, is a thing that passeth all human understanding. 'Copies of his riot-breeding publication made their appearance in this country yesterday and, sorry to say, one found its way to the desk of the editor-in-chief of the Norwich Sun.

"Its pages are filled with the usual scandalous assaults upon all decent and liberty loving inhabitants of these glorious United States.

"Gale and his seditious sheet should be silenced forever and if he were given his just deserts, HE WOULD BE BLINDFOLDED WHILE STANDING BACKED TO A MEXICAN WALL, FACING A FIRING SQUAD THAT HAS BEEN ORDERED TO DELIVER SWIFT AND EVERLASTING RETRIBUTION. Or he should be brought back to this country and have his skull which encloses a perverted brain, capped with the iron hood attached to the end of an electric wire.

"At least he should be confined to a solitary cell upon bread and water in order that his diseased gray matter which guides his vitriolic pen may not cause further trouble here or elsewhere....

"The devil is a cunning fighter and it is no easy matter for mere man to stand up before him and say 'be gone.' BUT IN THIS MAN GALE HIS SATANIC MAJESTY HAS A DANGEROUS EARTHLY RIVAL WHO WILL SOONER OR LATER USURP THE POWERS OF THE ONE BELOW.

"WITH GALE AND HIS MAGAZINE FLOURISHING UNMOLESTED, MEPHISTOPHELES MIGHT JUST AS WELL BANK THE FIRES OF HELL, OFFER THE PLACE FOR RENT, AND EMBARK IN SOME BUSINESS WORSE THAN MURDER IF HE EVER EXPECTS TO OUTSTRIP HIS RIVAL, EDITOR LINN A. E. GALE, THE SELF-STYLED

REFORMER OF THE WHOLE WORLD."

But for fear that this invitation to murder Gale would not be sufficiently explicit, the same paper under date of July 2, said:

"A man of Gale's type is a cancer.... THERE IS BUT ONE WAY TO DISPOSE OF THE BENEDICT ARNOLDS THAT INFEST THIS COUNTRY—AND WHO SOMETIMES SNEAK AWAY TO OTHER LANDS TO SAVE THEIR SKINS—I KNOW THAT WAY—SO DO YOU! NOW WHAT ARE YOU GOING TO DO ABOUT IT?—Sit idly by and let him continue his nefarious work or mete out to him the justice he so richly deserves! This matter is equally up to every true American citizen.

"The writer of this article is right here in Norwich ready to 'do time' for its publication if needs be — ready to settle the affair with Gale upon the field of honor."

If Gale had suggested giving such treatment to a capitalist, it is probable that he would have been charged with inciting to "force" and "violence" and "trying to overthrow the government."

But when the prostitute press of the capitalists wants to resort to "force", "violence" or the disregard of the government and its laws, in order to get revenge on an influential editor, nobody thinks of proposing punishment.

These excerpts are interesting as affording additional proof that the constitution and the law are but "scraps of paper" between plutocrats

No Prosecution of Detroit Communists

Detroit, Mich.—But few of the many hundred alien radicals arrested in the sensational raids conducted under the supervision of Attorney General Palmer are still in custody at Port Wayne. The majority have been released on bail, pending the decision of the Washington Department, and many more were released because there wasn't a scintilla of evidence to prove they engaged in or intended to engage in illegal activity.

Detroit has been heralded far and wide as one of the big "Red" centers in the country. Local and outside newspapers carried hair thrillers of the discoveries made by the department of justice agents, which have now been proven to be a fiasco. The predicted "revolt" did not only fail to materialize, but the majority of the revolutionists were found to be of the mildest sort, totally ignorant of the vast plots that they were supposed to have engaged in.

The great store of arms glaringly reported to have been found cached in the hiding places of the local communists, upon roll call were found to be a few jack knives, a bayonet purchased in an U. S. Army surplus goods sale for domestic purposes, and a few antiquated, rusty revolvers, without cartridges.

"The 'mysterious' 'beautiful' red haired women communist, reported to have attempted to smuggle in a lot of razors to the raid victims held herded for six days in the Federal building, was a department of justice agent, intent on playing her part in the melodrama.